MONTANA LEGISLATIVE HISTORY

Chapter 484 19 83

Bill H 375 S _____ Original bill & history ✓ C

H. Committee on State Admin			S. Committee on State Admin		
Hearing Date(s)	1-25	✓ C	Hearing Date(s)	3-7	✓ C
	2-2	✓ C			C
		C			C
		C			C
Date Out	2-2	C	DATE OUT	3-7	

BEST COPY AVAILABLE

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

HOUSE
2ND READING: 04/13/83, ADOPTED AYES: 90; NAYS: 2
3RD READING: 04/14/83, ADOPTED AYES: 91; NAYS: 1

SENATE
2ND READING: 04/15/83, BE ADOPTED AYES: 49; NAYS: 0
3RD READING: 04/16/83, BE ADOPTED AYES: 48; NAYS: 0

TRANSMITTED TO GOVERNOR: 04/21/83
SIGNED: 4/27/83, CHAPTER 642

HB 374 -- MCBRIDE -- TO REVISE THE COUNTY POOR FUND MATCHING GRANT-IN-AID WORKFARE PROGRAM BY PROVIDING THAT CERTAIN EXPENSES ARE REASONABLE AND NECESSARY POOR FUND EXPENDITURES FOR PURPOSES OF THE MATCHING GRANT-IN-AID PROGRAM AND MAKING THESE PROVISIONS RETROACTIVE TO JULY 1, 1982; DECREASING THE TRIGGER POINT FOR STATE MATCH FROM 8 MILLS TO 3 1/2 MILLS; MAKING THE COUNTY POOR FUND MATCHING GRANT-IN-PROGRAM A PERMANENT PROGRAM; APPROPRIATING MONEY FOR THE CURRENT FISCAL YEAR TO FUND EXPENDITURES AUTHORIZED BY THIS ACT; AMENDING SECTION ...; REPEALING SECTION ...; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE.

INTRODUCED: 01/19/83
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 01/19/83
HEARING: 2/17/83
DIED IN COMMITTEE

HB 375 -- MCBRIDE, FABREGA, HARPER, ET AL. -- TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS; AND TO PROVIDE FOR INTEREST ON THE UNPAID BALANCE; AMENDING SECTION ....

INTRODUCED: 01/19/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 01/19/83
HEARING: 1/25/83
REPORT: 02/02/83, DO PASS, AS AMENDED
2ND READING: 02/04/83, DO PASS AYES: 93; NAYS: 1
3RD READING: 02/07/83, DO PASS AYES: 87; NAYS: 2

TRANSMITTED TO SENATE: 2/7/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 02/08/83
HEARING: 3/7/83
REPORT: 3/8/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/10/83 AYES: 49; NAYS: 0
ON MOTION, 3/10/83, THAT THE BILL BE SEGREGATED FROM THE COMMITTEE OF THE WHOLE REPORT. MOTION PASSED UNANIMOUSLY.
2ND READING: 03/11/83, AS AMENDED AYES: 49; NAYS: 0
3RD READING: 03/14/83 AYES: 38; NAYS: 11

RETURNED TO HOUSE WITH AMENDMENTS: 03/14/83
2ND READING: 03/31/83, BE CONCURRED IN AYES: 85; NAYS: 0
3RD READING: 04/01/83, BE CONCURRED IN AYES: 86; NAYS: 0

TRANSMITTED TO GOVERNOR: 04/11/83
SIGNED: 04/14/83, CHAPTER 484

HB 376 -- MCBRIDE, WALDRON -- TO ALLOW ALL GRANDPARENTS THE OPPORTUNITY TO SEEK VISITATION RIGHTS WITH THEIR GRANDCHILDREN ....

INTRODUCED: 01/19/83

House BILL NO. 375

INTRODUCED BY McBride Falconer Hayes Stobie
Chyo

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS; AND TO PROVIDE FOR INTEREST ON THE UNPAID BALANCE; AMENDING SECTION 18-4-214, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 18-4-214, MCA, is amended to read:

"18-4-214. Payment by department. (1) All valid claims on account of such contract, purchases, leases, or rental agreements negotiated by the department shall be audited and paid from the sums severally set aside for the use of the department by the contract, purchase, lease, or rental agreement estimate or requisition.

(2) Unless otherwise provided in the contract or purchase, lease, or rental agreement, valid claims must be paid within 30 days of receipt of invoice. If not paid within 30 days of receipt of invoice, the unpaid balance accrues interest at .05% a day."

-End-

INTRODUCED BILL
HB 375

STATE OF MONTANA

REQUEST NO. 137-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 21, 19 83, there is hereby submitted a Fiscal Note for House Bill 375 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 375 is an act to require the state to pay a claim within 30 days and to provide interest on the unpaid balance.

COMMENTS:

No dollar estimates are available. Department of Administration (D of A) has no valid estimates of the dollar amount of invoices not paid within 30 days by agencies. Agencies turn an approved invoice for payment into the Accounting Division (under D of A) for processing through the state's accounting system. It usually only takes one day for processing. D of A has no control over the time period it takes agencies to approve the invoices and submit them to Accounting Division or the time it takes the State Auditor's Office to issue a warrant.

TECHNICAL NOTE:

At least three different agencies are involved in the payment of invoices. These are the particular agency that incurred the claim, D of A (Accounting and Computer Services Divisions), and the State Auditor. If there were complications, such as a computer breakdown, then the bill does not state who should pay the interest if the 30 day period is not met. It is assumed that the agency which incurred the claim would be responsible (and not D of A or the State Auditor) for the interest on the unpaid balance. Another problem with the bill is, it does not specify when an invoice is considered paid (for example - when claim approved for payment by agency, processed through state's accounting system, warrant issued, mailed, etc.).

FISCAL NOTE 6:Y/1

David M Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-83

STATUS SHEET

HOUSE STATE ADMINISTRATION COMMITTEE

48th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HB 329	Candidates, penalty for misrepresenting voting record or position	1/18/83	Shontz	1/27/83	DO NOT PASS	1/28/83
HB 346	Governor, state agencies, deleting certain report requirements	1/18	Keenan	1/27	DO PASS	1/27
HB 356	Political action groups, limiting contributions from	1/19	Vincent	2/8	DO PASS AS AMENDED	2/16
HB 375	State claims, to require state to pay within 30 days	1/19	McBride	1/25	1/25 to sub-com. 2/2 DO PASS AS AMENDED	2/2
HB 386	Political committees, requiring naming and labeling	1/19	Vincent	2/8	DO PASS AS AMENDED	2/16
HB 387	Political committees, limiting individual contributions	1/19	Vincent	2/8	DO PASS AS AMENDED	2/16

orm CS-32
-81

MINUTES OF THE MEETING OF THE STATE ADMINISTRATION COMMITTEE
January 25, 1983

VICE CHAIRMAN HELEN O'CONNELL called the meeting to order at 8 a.m. in Room 129 of the Capitol. All members were present except for REPRESENTATIVE FRANCIS BARDANOUVE.

Vice Chairman O'Connell began the meeting by calling for testimony on House Bill 231.

HOUSE BILL 231

REPRESENTATIVE JOE BRAND, sponsor of House Bill 231, said the bill was requested by the Public Employees' Retirement Division. He said the bill would guarantee payment of pension benefits to firefighters who lose their jobs because their fire department goes out of business. The monthly benefits received by one of these retired firefighters cannot be less than one-half the monthly salary paid to all newly confirmed active firefighters in the cities participating in the retirement plan. He said it would protect those who have vested rights in the system and allow them to stay in the system if their department shuts down, as well as gain percentage increases. He said if a firefighter leaves money in the fund and chooses to remain in the system, he would still get interest on the money. Representative Brand said that Public Employees' Retirement Division Administrator Larry Nachtsheim says the fiscal impact would be very minor on the system.

PROPONENTS

Ray Blehm, representing the Montana State Firefighters Pension Fund, suggested lines 15 through 18 be struck out and underlined, because they deal with how much money is collected and distributed to the retirement system. He said the measure deserves support because it will be of protection to firefighters in such places as Anaconda.

THERE BEING NO FURTHER PROPONENTS OF HOUSE BILL 231, AND NO OPPONENTS TO HOUSE BILL 231, VICE CHAIRMAN O'CONNELL CALLED FOR A CLOSING STATEMENT BY REPRESENTATIVE JOE BRAND.

In closing, Representative Joe Brand said that Legislative Council Researcher Lois Menzies would be preparing amendments to clean up language in the bill. Representative Brand also asked for a subcommittee to be appointed to deal with the bill.

COMMITTEE QUESTIONS

REPRESENTATIVE JOHN PHILLIPS asked if it was correct in the bill where it said that the benefit amount would equal 50% of the last monthly benefit. Representative Brand said that figure was incorrect, and the language in the bill would be amended out and corrected.

Representative Bliss said the bill would not put the duty of distributing the pamphlets with the Secretary of State, it would just require the state office to pay for the postage.

Representative Driscoll asked if counties get a bulk rate. Merrill Klundt, Yellowstone County Clerk and Recorder, said counties are eligible for bulk rates.

Representative Sales asked how long the program requiring distribution of voter pamphlets has been in effect. Christians said he thought it was started in 1976 and that he did not know of its cost.

THERE BEING NO FURTHER QUESTIONS FROM COMMITTEE MEMBERS, VICE CHAIRMAN O'CONNELL CLOSED THE HEARING ON HOUSE BILL 288.

HOUSE BILL 375

Representative Kathleen McBride, sponsor of House Bill 375, said the measure would serve two purposes: to define a time frame in which state bills should be paid and to set an interest rate that creditors can collect if the time limits are not honored. She said it would make state projects more attractive to contractors because contractors would know of limits for when they would present invoices and receive payment. She said it would establish and interest rate of 18.25% a year. She said similar legislation has been passed at the federal level recently. She said it was beneficial because it results in more competition for state business as vendors are not afraid to have their capitol tied up by the state and it amounts to a savings to taxpayers because of reduced paperwork and because of more competition. She suggested that amendments were needed for the bill to indicate which law is now being repealed, to clarify to which agencies it would apply, and to clarify the computation of the time period.

PROPONENTS

Janelle Fallon, representing the Montana Chamber of Commerce, spoke for the bill. She said it would be good for small business.

Lloyd Crippen, representing the National Federation of Independent Businesses, said the Montana members were polled and asked if late repayment created problems. He said about 17% of the 5000 members responded, and 78% favored such legislation.

Blake Wordal, representing the Montana Hardware and Implement Dealers Association, said his group supports the measure.

Morris Brusett, Director of the Department of Administration, said he agreed with the bill. He said he would like to see clarifying language, such as when does the time period begin. He said amendments should also cover the question of payment in the event of disputed claims and interagency billing. He said the bill should also address cases of strikes and natural disasters.

Jack Noble, Deputy Commissioner of Finance for the Montana University System, said the University System favors the bill but seeks an amendment to provide for the procedure honored now by the University System. He said the system holds invoices until the goods are received and accepted.

Ron Brown, speaking for the Social and Rehabilitation Services Department, said the agency would favor the bill with amendments. He said that vendors typically bill the state when goods are shipped and invoices are paid as soon as a week or as late as two months later. But there is a problem with the medical professions. He said sometimes bills are submitted to peer review committees. Sometimes the invoice is not payable until after the committee's review, and that could take as many as two or three months.

THERE BEING NO FURTHER STATEMENTS BY PROPONENTS AND NO OPPONENTS TO HOUSE BILL 375, REPRESENTATIVE McBRIDE CLOSED BY SAYING THAT THE COMMITTEE SHOULD SUBJECT THE STATE TO THE SAME PENALTIES AS INDIVIDUALS FACE.

COMMITTEE QUESTIONS

Representative Joe Brand asked how much abuse has there been in the past. Representative McBride said there was no specific problem that she was aware of that she was trying to avoid a situation where the state runs on others' money. Representative Brand asked if this was done my a minority of other states and what do the amendments do regarding the objections raised by SRS. Representative McBride said she was unsure and perhaps an exception might be needed for SRS.

Representative Chet Solberg said he supported the bill. But, he said, the bill must account for valid claims. He said the state must not pay on only an invoice. He said in his business, he is constantly receiving erroneous invoices. He questioned how a "valid claim" will be determined. Representative McBride said she would look into the matter and would like to work on amendments.

THERE BEING NO FURTHER QUESTIONS BY COMMITTEE MEMBERS, VICE CHAIRMAN O'CONNELL CLOSED THE HEARING ON HOUSE BILL 375.

Representative Holliday suggested other wording for the amendment on line 15: "Secretary of State shall pay or reimburse each county for actual minimal cost of..."

Representative Hand so moved a substitute motion. Representative Hand also made his substitute motion include a change in the title.

The question being called, the Hand substitute motion carried by unanimous voice vote. House Bill 288 was amended.

Representative Hand MOVED House Bill 288 DO PASS AS AMENDED, Representative McCormick seconded.

Representative Joe Brand noted that "do pass" sends the bill directly to the floor. The floor would then send the bill to the Appropriations Committee for a fiscal note.

The question being called, the Hand motion carried by voice vote. Voting "no" were Representatives Ryan, Smith, Mueller, Solberg, Brand, Compton.

HOUSE BILL 375

Representative Hand MOVED House Bill 375 be moved into subcommittee, Representative McBride seconded. The question being called, the Hand motion carried by unanimous voice vote.

Vice Chairman O'Connell appointed Representative McBride chairman of the subcommittee and appointed Representatives Driscoll and Bliss to serve.

HOUSE BILL 393

Representative Mueller MOVED House Bill 393 DO NOT PASS, Representative Smith seconded.

Representative Driscoll said "this bill stops the mud-slinging within the last five days. We ought to stop it all the time."

Representative Bliss said the bill would not be effective.

Representative Holliday said the bill does not address the question of the days preceding the election.

The question being called, the Mueller motion carried by voice vote. Voting "no" were Representatives Driscoll, Hand, Koehnke, Hammond, Brand.

VICE CHAIRMAN O'CONNELL RELINQUISHED THE CHAIR TO CHAIRMAN BRAND.

WITNESS STATEMENT

Name Lloyd Crippen

Committee On State Adm.

Address Helena

Date 1/25/83

Representing NFIB

Support ✓

Bill No. HB 375

Oppose

Amend

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

FORM CS-34
1-83

WITNESS STATEMENT

Name Ron Brown

Committee On State Admin

Address

Date 1/25/83

Representing SPS

Support ✓

Bill No. 375

Oppose

Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

FORM CS-34
1-83

VISITOR'S REGISTER

HOUSE _____ COMMITTEE

BILL HB 395 DATE _____

SPONSOR McBride

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
Janelle Fallon	Helena	Mont. Chamber	X	
Blake Wordal	"	MT HARDWARE & IMPLEMENT ASSN	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33
1-83

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
February 2, 1983

CHAIRMAN JOE BRAND called the meeting to order at 8 a.m. in Room 129 of the Capitol. All members were present.

CHAIRMAN BRAND CALLED THE COMMITTEE INTO EXECUTIVE SESSION BY CALLING FOR ACTION ON HOUSE BILL 52.

EXECUTIVE SESSION

HOUSE BILL 52

REPRESENTATIVE KATHLEEN McBRIDE said that her subcommittee has decided House Bill 52 is unneeded under present law. She said there are remedies in the law now. She said the subcommittee got a list from the attorney for the Campaign Commissioner's office of remedies that now exist in the law. Rep. McBride recommended the Committee table the bill, show its sponsor, REPRESENTATIVE JOHN SHONTZ, the list from the Campaign Commissioner Attorney, and see if he wants to pursue the bill.

REP. McBRIDE MOVED that House Bill 52 be TABLED. REP. WALTER SALES SECONDED. The question being called, the MOTION CARRIED by unanimous voice vote. House Bill 52 was TABLED.

HOUSE BILL 79

Rep. McBride noted that House Bill 79, REPRESENTATIVE KEN NORDTVEDT'S salary bill, had much work invested by the committee and the subcommittee. She said a fiscal note attached to the measure was speculative at best. She said it would use a formula contained in an amendment to index elected officials salaries. In her words, "It doesn't make it any easier to deal with large increases." She said the Legislature would always have the perogative of changing the formula.

REPRSENTATIVE SALES, who was a co-sponsor of House Bill 79, conceded the bill would always produce a lagging effect in the salaries of elected officials because it is based on a previous three-year factor. He said the Legislature could always disregard the bill, and "every Legislature would be under pressure to raise or lower it."

Rep. McBride said the key to the bill is the initial establishment of base salaries against which the future factor would be applied. She said that would probably be "the biggest fight over this bill."

Rep. Sales said those who are set with high salaries would do well by the bill from here on out, while the ones with low salaries would get less.

REPRESENTATIVE JERRY DRISCOLL noted that "When good times come, the growth percentage for elected state officials' salaries could be as much as 35 percent."

REPRESENTATIVE PAUL PISTORIA MOVED that House Bill 79 DO NOT PASS AS AMENDED, REPRESENTATIVE O'CONNELL SECONDED.

REPRESENTATIVE JOHN PHILLIPS noted, "I don't like the concept."

The question being called, the MOTION CARRIED by voice vote. REP. SALES voting "NO." House Bill 79 was reported out DO NOT PASS AS AMENDED.

HOUSE BILL 375

Rep. McBride noted that Legislative Researcher Lois Menzies would hand out a revised version of the bill, which the committee could use as a substitute bill. She said it would clear up the question of when payments would become due and "timely." Rep. McBride said that exceptions to the requirement for timely payment would be in the event of intra-government payments and disputes.

REP. McBRIDE MOVED the AMENDMENTS to House Bill 375, REPRESENTATIVE JOE HAMMOND SECONDED. The question being called, the MOTION CARRIED by unanimous voice vote. House Bill 375 was AMENDED.

REP. PHILLIPS MOVED House Bill 375 DO PASS AS AMENDED, REPRESENTATIVE BILL HAND SECONDED.

Rep. Driscoll asked why wages would be exempt from this bill. Rep. McBride noted that wages are covered by other statutes. MORRIS BRUSETT, Director of the Department of Administration noted that wages were covered elsewhere in the codes. He said this bill is regarding goods and services.

Rep. Paul Pistoria asked the purpose of the bill. Rep. McBride noted that it was to stop state government from operating on vendors' money. She said it also protects the state by making sure it does not pay too soon, and it provides for a formal receiving process for the state when receiving goods and services. Rep. Pistoria asked how it would affect the Department of Administration. Brusett said he would like to work with Rep. McBride on that.

The question being called, the MOTION CARRIED by unanimous voice vote. House Bill 375 was recommended DO PASS AS AMENDED.

STANDING COMMITTEE REPORT

FEBRUARY 2, 19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 375

first reading copy (white color)

"AN ACT TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS; AND TO PROVIDE FOR INTEREST ON THE UNPAID BALANCE; AMENDING SECTION 18-4-214, MCA."

Respectfully report as follows: That HOUSE Bill No. 375

be amended as follows:

1. Title, line 5.
Following: "DAYS"
Insert: "OR WHEN SPECIFIED IN A CONTRACT OR AGREEMENT"

2. Title, line 6.
Strike: "; AMENDING SECTION 18-4-214, MCA"

3. Page 1, following line 8.
Strike: all of the bill
Insert: "Section 1. Definitions. As used in [sections 1 through 4], the following definitions apply:
(1) "Services" means the furnishing of labor, time, or effort, including construction services, purchased or contracted for by the state or any agency thereof.

~~XXXXXX~~
~~DO PASS~~

REP. JOE BRAND, (Initials) Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY

(2) "Supplies" means all personal property purchased, leased, or contracted for by the state or any agency thereof, including leases of equipment and buildings.

Section 2. (1) Except as provided in [section 3], a state agency shall pay simple interest at the rate of 0.05% each day, on amounts due for supplies and services received if the agency fails to make timely payment.

(2) For purposes of this section, payment is timely if a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the applicable contract or agreement payment is timely if paid within 30 days after receipt of a properly completed invoice, addressed to the payer agency, or receipt of the supplies or services by the agency, whichever is later.

Section 3. [Section 2] does not apply to the following:

(1) interagency or intergovernmental transactions;

(2) claims subject to a good faith dispute;

(3) delinquencies due to natural disasters, disruptions in postal or delivery service, work stoppage due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of the payer agency;

(4) contracts entered into before [the effective date of this act];

(5) wages due and payable to state employees or payments from any state retirement system created pursuant to Title 19; or

(6) claims submitted to the state or to its fiscal intermediary by providers of supplies or services under the Montana medicaid program if reasonable cause for nonpayment exists.

Section 4. Any interest owing under [sections 1 through 4] must be paid from funds designated for administrative costs of the agency receiving the supplies and services.

Section 5. Codification instruction. Sections 1 through 4 are intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to sections 1 through 4."

AND AS AMENDED
DO PASS

REP. JOE BRAND, Chairman.

STATE PUB. CO.
Helena, Mont.

SUBSTITUTE BILL

HOUSE BILL NO. 375

INTRODUCED BY McBride, Fabrega, Harper, Stobie

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS; AND TO PROVIDE FOR SIMPLE INTEREST ON THE UNPAID BALANCE~~; AMENDING SECTION 18-4-214, MCA~~."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

NEW SECTION. Section 1. Definitions. As used in [this act], the following definitions apply:

(1) "Services" means the furnishing of labor, time or effort, including construction services, purchased or contracted for by the state of Montana or any agency thereof.

(2) "Supplies" means all personal property purchased, leased or contracted for by the state of Montana or any agency thereof, including leases of equipment and buildings.

NEW SECTION. Section 2. (1) Except as provided in [section 3], each state agency shall pay simple interest at the rate of .05 percent, per day, on amounts due for supplies and services received whenever the state agency fails to make timely payment.

(2) For purposes of this section, payment is timely if a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the contract or agreement then payment is timely if paid within 30 days after receipt of a properly completed invoice, addressed to the payor agency, or receipt of the supplies or services by the agency whichever is later.

(over)

NEW SECTION. Section 3. [Section 2] does not apply to the following:

(1) interagency or intergovernmental transactions;

(2) claims subject to a good faith dispute;

(3) delinquencies due to natural disasters, disruptions in postal or delivery service, work stoppages due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of the payor;

(4) contracts entered into before [the effective date of this act];

(5) wages due and payable to employees of the state of Montana or payments from any state retirement system created pursuant to Title 19, MCA;

(6) claims submitted to the state, or to its fiscal intermediary, by providers of supplies or services under the Montana Medicaid program if reasonable cause for nonpayment exists.

NEW SECTION. Section 4. Any interest owing under [this act] must be paid from funds designated for administrative costs of the agency receiving the supplies and services.

Section 5. Codification instruction. Sections 1 through 4 are intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to sections 1 through 4.

--End--

48th LEGISLATIVE SESSION

COMMITTEE ON STATE ADMINISTRATION

Pg 3 BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON-CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON-CURRED IN DATE
HB 266	2/12/83	3/3						3/4	
HB 283	3/1	2/21						3/23	
HB 288	3/1	3/16 (HELD IN COMMITTEE)							
HB 295	2/10	3/22							3/23
HB 296	2/3	3/14					3/14		
HB 303	2/2	3/4					3/3		
HB 303	Recalled 3/5	3/18						3/18	
HB 304	2/4	3/3					3/3		
HB 313	2/11	3/3 (TABLED)							
HB 329	2/8	3/8						3/26	
HB 346	2/3	3/2					3/2		
HB 356	3/1	3/21							3/23
HB 375	2/8	3/7						3/7	
HB 386	3/2	3/21							3/23
HB 387	3/2	3/21							3/23
HB 401	3/1	3/16					3/16		

Use a separate sheet for Senate, House Bills, and Resolutions.

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 7, 1983

The forty-first meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman on March 2, 1983 at 10:00 a.m. in room 331 of the State Capitol Building, Helena, Montana.

ROLL CALL: All members were present except Senator Stimatz.

The meeting was called to consider House Bills 51, 493, 506, 375, 508 and 67.

CONSIDERATION OF HOUSE BILL 51:
"AN ACT PROHIBITING CHANGING BOUNDARIES OF A COUNTY COMMISSIONER DISTRICT WITHIN 6 MONTHS PRECEDING A PRIMARY ELECTION; AMENDING SECTION 7-4-2102, MCA."

REPRESENTATIVE YARDLEY, District 74, presented this bill and said that currently the law says six months prior to the general election they must change county commissioner districts and also every ten years when they have census it is a requirement that they redistrict. Under the current laws it says elected for six years and they have one up every two years. Under the current law you have to live in the district to run. Six months before the general election would make the it May 2, 1982 and the deadline for filing was April 19th. It eliminated any prospective candidate that would like to run.

PROPONENTS: None

OPPONENTS: None

QUESTIONS OF THE COMMITTEE: None

SENATOR MANNING MOVED HOUSE BILL 51 BE CONCURRED IN
MOTION PASSED. Senator Manning will carry this bill.

CONSIDERATION OF HOUSE BILL 493:
"AN ACT TO GENERALLY REVISE THE LAWS GOVERNING PROCUREMENT OF SUPPLIES AND SERVICES FOR STATE AGENCIES; GRANTING RULEMAKING AUTHORITY TO THE DEPARTMENT OF ADMINISTRATION: AMENDING..."

REPRESENTATIVE YARDLEY, District 74, presented this bill who said that this bill is the request of the Department of Administration. He called the committee's attention to the Statement of Intent. He said that there has been four studies made on the purchasing of state government and was critized by

more than $5,000. What about repair and maintenance more than $25,000.

MR. HAUCK said that the process is getting more than three bids.

SENATOR TOWE said that he feels it shows an ommission and thinks this can be fixed.

REPRESENTATIVE YARDLEY closed on H.B.506 and said the department has an explanation of the bill, EXHIBIT 3. He also said that lobbiest, Sonny Hanson sends his support of this bill. He asked that Senator Towe carry this bill for him.

CONSIDERATION OF HOUSE BILL 375:
"AN ACT TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS OR WHEN SPECIFIED IN A CONTRACT OR AGREEMENT; AND TO PROVIDE FOR INTEREST ON THE UNPAID BALANCE..."

REPRESENTATIVE MC BRIDE, District 85, introduced H.B.375 as being the small payment bill. She said that there is a long delay in payment by state government and the businessman is bearing the blunt of the cost. H.B.375 is modeled after the federal legislation. She went through the mechanics of the bill with the committee. She said section 2 is the key to this bill and it says if any agency fails to make timely payment of its supplies that it will pay interest penalty to the vendor. Timely payment is defined. Section 3 provides exemption to the requirement, like medicaid or delinquency due to natural disasters or postal reasons.

PROPONENTS:

JANNELL FALLON spoke in support of H.B.375 by saying that it advantageous to the state. She said that she has visited with several that said they do not bid state jobs because it takes so long to get paid.

JANICE VAN RIPEN, Division of Workers' Compensation, testified as a proponent but offered an amendment, EXHIBIT 4 which allows the exceptions to 30 days.

OPPONENTS: None

QUESTIONS OF THE COMMITTEE:

SENATOR TOWE asked if they intended to include a lease of more than one year. If it is, it is no longer personal property.

REPRESENTATIVE MC BRIDE said that when they agree to pay on a lease basis it should be paid.

SENATOR MARBUT questioned page 2, line 2, "is otherwise".

The answer was, because with agencies they pay the invoice.

REPRESENTATIVE MC BRIDE stated that she has no problem with the medicaid taking more than 30 days and that it would be a reasonable amendment.

SENATOR TOWE stated that he is not satisfied with Workmens' Compensation.

JANICE VAN RIPER said that it would be only for reasonable cause.

The hearing closed on House Bill 375.

CONSIDERATION OF HOUSE BILL 508:
"AN ACT TO GENERALLY REVISE THE COMPOSITION OF THE STATE LIBRARY COMMISSION; AMENDING..."

REPRESENTATIVE MC BRIDE, District 85, introduced H.B. 508 as a bill that will revise the composition of the state library commission. It adds two more public members appointed by the governor and allows the superintendent of public instruction to appoint a designee if they choose and they will change the method for appointing the members of the commission of the university librarian.

The state superintendent serves on many committees and in some cases that person should be able to designate someone else to serve. The librarian from the University system has been the librarian for the University of Montana and it is no longer true. At one time the state library used to be in the University.

She pointed out a minor change made by the House Education Committee. The terms of office were reduced from 5 years to 3 years. She said that the committee may want to look at section 2, page 2, the transition schedule.

She read a letter from the chairman of the state library commission, EXHIBIT 5.

PROPONENTS:

MAYNARD OLSON spoke for ED ARGENBRIGHT, state superintendent of schools, in support of H. B. 508.

SCOTT CURRY, representing the Governor's office said that they are in full support of this bill.

The hearing closed on House Bill 67.

ACTION ON HOUSE BILL 67:
SENATOR TOWE MOVED HOUSE BILL 67 BE CONCURRED IN.
MOTION PASSED. Senator Hammond voted "no"
Senator Story will carry the bill.

EXECUTIVE SESSION:

ACTION ON HOUSE BILL 493:
SUB COMMITTEE - Senator Marbut and Senator Towe

ACTION ON HOUSE BILL 506:
SENATOR TOWE said he has some amendments to present.
It was the decision of the chairman to come back to this bill.

ACTION ON HOUSE BILL 375:
SENATOR TOWE MOVED THE AMENDMENT on page 1, line 20 to
Strike: "and buildings."
Insert: ". The term also includes leases of buildings or other real property by the state or any agency thereof."
MOTION PASSED. Senator Story voted "no".

SENATOR TOWE MOVED THE AMENDMENT on page 2, line 25.
Following: "medicaid"
Insert: "or workers compensation"
MOTION PASSED.

SENATOR TOWE MOVED HOUSE BILL 375 BE CONCURRED IN AS AMENDED.
MOTION PASSED.

The meeting adjourned at 12:15 p.m.

Pete Story

CHAIRMAN, Senator Pete Story

ROLL CALL

STATE ADMINISTRATION COMMITTEE

47th LEGISLATIVE SESSION -- 1983 Date 3/7/83

NAME	PRESENT	ABSENT	EXCUSED	SENATE SEAT #
SENATOR PETE STORY, Chairman	X			45
SENATOR H. W. HAMMOND, Vice Ch	X			34
SENATOR REED MARBUT	X			44
SENATOR LARRY TVEIT	X			33
SENATOR R. MANNING	X			48
SENATOR LAWRENCE STIMATZ				7
SENATOR THOMAS TOWE	X			26
SENATOR GARY LEE	X			

Each day attach to minutes.

EXHIBIT 4
State Admin.
3/7/83

48th Legislature HB 0375/02

Amendments

(_) New Material

Page 2
Line 25
Following: "Montana medicaid"
Insert: "or workers' compensation"

·34

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EXHIBIT 4
pg 2

NAME [illegible] Bill No. [illegible]

ADDRESS [illegible] DATE [illegible]

WHOM DO YOU REPRESENT [illegible]

SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Div. of Wrk. [illegible] wishes to amend Section 3(6) to include claims submitted under the [illegible] compensation program

DATE March 7, 1983

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One Support	Check One Oppose
J. D. Holmes	MT. ARTS ADVOCACY	HB508	✓	
Maynard A. Olson	OPI	HB508	✓	
Janice S. VanRiper	Div. of Workers' Comp.	HB375	✓	
Dave Woodgard	Dept. of State Lands	HB67	✓	
Jon Meredith	Dept. of Revenue	HB67	✓	
Ken Heikes	EMC	HB506 HB493	✓ ✓	
Stan Thurston	Thurston	HB493	✓	
Frederick Vertani	SELF	HB493		✓
John Barnhart	Color World	HB493	✓	
Gary Bensma	self	HB493		✓
R.F. Gust	Artcraft Printers	HB493	✓	
Janelle Fallan	Mont Chamber	HB375	✓	
PHIL HAUCK	Dept of Admin	HB506	✓	
Ray Kuntz	The Flow Show Inc	HB493	✓	
Suzy Holt	MT. Library Assoc.	HB508	✓	
Jack Noble	University System	HB493	✓	
Bill Lannan	Mont Univ System	HB506	✓	
Scott Curtey	Dept of Labor & Gov's Office	HB67	✓	
Dave Goss	Billings Chamber of Commerce	HB67	✓	

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

MARCH 7 19 83

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 375

McBride (Towe)

Respectfully report as follows: That HOUSE Bill No. 375

third reading, be amended as follows:

1. Page 1, line 20.
   Strike: "and buildings."
   Insert: ". The term also includes leases of buildings or other real property by the state or any agency thereof."

2. Page 2, line 25.
   Following: "medicaid"
   INsert: "or workers compensation"

And, as so amended
~~DO PASS~~ BE CONCURRED IN

SENATOR PETE STORY Chairman.

STATE PUB. CO.
Helena, Mont.

.11.C

HOUSE BILL NO. 375

INTRODUCED BY MCBRIDE, FABREGA, HARPER, STOBIE, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE STATE TO PAY A CLAIM WITHIN 30 DAYS OR WHEN SPECIFIED IN A CONTRACT OR AGREEMENT; AND TO PROVIDE FOR INTEREST ON THE UNPAID BALANCE~~; AMENDING SECTION 18-4-214, MCA~~."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Definitions. As used in [sections 1 through 4], the following definitions apply:

(1) "Services" means the furnishing of labor, time, or effort, including construction services, purchased or contracted for by the state or any agency thereof.

(2) "Supplies" means all personal property purchased, leased, or contracted for by the state or any agency thereof, including leases of equipment ~~and buildings~~. THE TERM ALSO INCLUDES LEASES OF BUILDINGS OR OTHER REAL PROPERTY BY THE STATE OR ANY AGENCY THEREOF.

Section 2. Interest assessed on amounts due. (1) Except as provided in [section 3], a state agency shall pay simple interest at the rate of 0.05% each day, on amounts due for supplies and services received if the agency fails to make timely payment.

(2) For purposes of this section, payment is timely if a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the applicable contract or agreement, payment is timely if paid within 30 days after receipt of a properly completed invoice, addressed to the payer agency, or receipt of the supplies or services by the agency, whichever is later.

Section 3. Exemptions. [Section 2] does not apply to the following:

(1) interagency or intergovernmental transactions;

(2) claims subject to a good faith dispute;

(3) delinquencies due to natural disasters, disruptions in postal or delivery service, work stoppage due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of the payer agency;

(4) contracts entered into before [the effective date of this act];

(5) wages due and payable to state employees or payments from any state retirement system created pursuant to Title 19; or

(6) claims submitted to the state or to its fiscal

REFERENCE BILL

1 intermediary by providers of supplies or services under the
2 Montana medicaid OR WORKERS' COMPENSATION program if
3 reasonable cause for nonpayment exists.
4 Section 4. Source for payment of interest. Any
5 interest owing under [sections 1 through 4] must be paid
6 from funds designated for administrative costs of the agency
7 receiving the supplies and services UNLESS THE DELAY WAS
8 CAUSED BY A DIFFERENT AGENCY, AND THEN THE INTEREST MUST BE
9 PAID FROM THE ADMINISTRATIVE COSTS OF THAT AGENCY.
10 Section 5. Codification instruction. Sections 1
11 through 4 are intended to be codified as an integral part of
12 Title 17, and the provisions of Title 17 apply to sections 1
13 through 4.

-End-